THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Banks in different groups including foreign banks expand their operations according to their own requirements and commercial assessment. Reserve Bank of India (RBI) has received a proposal from UBS AG (incorporated in Switzerland) for upgradation of their Mumbai Representative Office into a branch. Commercial Bank of Ceylon has also submitted a proposal for opening a branch at Chennai. RBI has also received proposals for opening additional branches by following foreign banks already operating in the country:—

(i) ABN Amro Bank

(ii) Citi Bank

(iii) Hong Kong and Shanghai Banking Corporation

(iv) Standard Chartered Bank

(v) Deutsche Bank

(vi) Chohung Bank

(vii) DBS Bank

(c) To protect the interests of Indian banking industry, foreign banks are required to follow the guidelines issued by Reserve Bank of India and the provisions contained in various statutes.

(d) No, Sir.

(e) Does not arise.

**Fake currency notes**

1188. SHRI SHAHID SIDDIQUI:
SHRI JANARDHANA POOJARY:

Will the Minister of FINANCE be pleased to state:

(a) whether fake currency notes, particularly of higher denominations, are in circulation in the country;

(b) if so, whether any inquiry has been conducted to identify the source of such fake currency notes and if so, the details thereof;

(c) whether it is a fact that there are instances of fake currency notes being found in the notes issued by some nationalised banks;

(d) if so, whether any inquiry in this regard has been conducted;

(e) if so, the details in this regard; and

(f) what measures are contemplated to prevent such incidents?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) As per information received from the National Crime Records Bureau (NCRB) on recoveries/seizures made by banks and law enforcement agencies, circulation of fake currency notes of higher denominations have been noticed.

(b) As per available information, fake currency is injected into circulation by local counterfeiters as well as by external agencies who smuggle fake Indian currency notes into India through various routes.

(c) According to information furnished by RBI, no such complaints have been received by them in the recent past.

(d) and (e) Does not arise in view of (c) above.

(f) The following are some of the measures taken by RBI to tackle the problem of forged notes;

1. The Security features of Rs. 100/-, Rs. 500/- and Rs. 1000/- denominations have been widely publicised in the print and electronic media to help the people to detect fake notes.

2. A film on security features of Rs.500/- and Rs.100/- denominations notes produced in English.

Hindi and other regional languages was telecast on Doordarshan on a number of occasions.

3. For the benefit of public, a booklet has been brought out which inter-alia, contains the features of genuine notes. This booklet has been placed on the Reserve Bank of India's Website

(www.rbi.org.in).

4. All banks have been instructed to equip their branches with Ultra Violet Lamps for detection of the counterfeit notes and also to report to police authorities in case of detection of counterfeit notes and also to report to police authorities in case of detection of counterfeit notes at their branches.

5. A new Rs. 500/ denomination note in a revised colour scheme with optically variable ink (OVI) has been issued in November, 2000 to help the

public to easily identify the genuineness of the notes as also to deter counterfeiting.

**Black Money**

1189. SHRI DIPANKAR MUKHERJEE:
SHRI CHITTABRATA MAJUMDAR:

Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 2004 given in the Rajya Sabha on the 10th December, 2002 and state:

(a) the measures suggested by Central Vigilance Commission for controlling black money generated in the country by evasion of taxes; and

(b) the steps taken by Government on the suggestions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Central Vigilance Commission during February, 2001 had suggested about amendment of the Income Tax on the principle of 'Zero' exemption to eliminate the scope for corruption and to enhance revenues. It had further suggested simplification of Customs and Excise Act based on the principle of zero discretion. The Commission also advocated that advance ruling must become a regular part of the system so that the precise rate of duty is known well before actual imports/ exports on movement of goods to the ports.

(b) The Government has been taking necessary legislative, fiscal and administrative measures from time to time to prevent generation of black money which include review of laws and procedures for their simplification and rationalization, comprehensive computerization aimed at greater efficiency and transparency, broadening the tax base and eliminating the scope for discretion and litigation, etc. Moreover, the review of the Income-tax Act and Customs and Central Excise Act is an ongoing exercise and is carried out every year as a part of the budgetary process.

**Utilisation of Foreign Exchange Reserves**

†1190. SHRI UDAY PRATAP SINGH:
PROF. M.M. AGARWAL:

Will the Minister of FINANCE be pleased to state:

(a) the total foreign exchange reserve in the country as on 30th November 2004;

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†Original notice of the question was received in Hindi.